

PRELIMINARY RECOMMENDATION REPORT
REUSE AND DISPOSAL OF EXCESS PROPERTY
PMA No. 723

Resolution 29799 directs that the Executive is to make its recommendations on the reuse or disposal of excess property on a case by case basis, using *the Procedures for Evaluation of the Reuse and Disposal of the City's Real Property* adopted by that resolution. Additionally, the Resolution identifies guidelines, which are to be considered in making a recommendation. This report addresses each of the guidelines outlined in Resolution 29799 in support of the recommendation. This report also follows those provisions of Resolution 30862, adopted May 1, 2006, that amended Resolution 29799.

Property Management Area: **PMA No. 723 – Seattle Public Utilities**
Portion of Lake Forest Park Reservoir

BACKGROUND INFORMATION

A portion of Seattle Public Utility (SPU) PMA 723 – Lake Forest Park Reservoir, has been determined to be excess to the needs of SPU albeit the reservoir is active.

SPU was approached by Lake Forest Park Water District to replace a water supply that was compromised by the Brightwater Sewer Tunnel project. King County has agreed to pay for the costs of a new well provided the new well is in operation by April 17, 2012. In 2008, Lake Forest Park Water District began an evaluation of the site as a potential replacement to their compromised well. A license agreement entered into by the City of Lake Forest Park and Lake Forest Park Water District on September 9, 2008 granted access to the site through Horizon View Park for a test well. The results have been positive, and the Water District wishes to move forward with a purchase.

For the purposes of this report, the excess land proposed to be sold to the Lake Forest Park Water District is identified as “Parcel A”.

Legal Description:

LAKE FOREST PARK ESTATES, VOL 34 OF PLATS PAGE 8, KING COUNTY, WASHINGTON AND FURTHER DESCRIBED AS;

THAT PORTION OF LOT 30, BLOCK 1;

TOGETHER WITH A PORTION OF LOT 14, BLOCK 2;

TOGETHER WITH A PORTION OF VACATED 45TH AVENUE NORTH EAST ADJOINING LOT 29, BLOCK 11 AS VACATED BY RESOLUTION NO. 22953 (KING CO.) PASSED AUGUST 7, 1961 BY COMMISSIONER RECORDS IN VOLUME 68 AT PAGE 297.

This is an approximate legal description. A full legal description will be developed based on property survey and segregation of that portion of the property to be sold.

Physical Description and Related Factors:

Lake Forest Park Reservoir is a covered reservoir surrounded by a high security fence. Parcel A is outside the fenced reservoir yard on the north and northwest sides of the reservoir. Access to Parcel A is obtained from walking northeast from a trail head leading along the west perimeter of the reservoir's property from the dead-end of 45th Avenue NE. The trail then veers northeast to Horizon View Park, a former Nike missile site decommissioned in 1964 and owned by the City of Lake Forest Park. At the point the foot path leaves SPU property, it becomes a paved park path. Although a portion of 45th Avenue NE as platted extends along the southwestern quadrant of Parcel A, it is unpaved and not an active street at that point, restricting vehicular access to Parcel A.

Parcel A and the adjoining Horizon View Park has the highest elevation (approximately 535.52 feet above mean sea level) in the City of Lake Forest Park as part of a small plateau. The northwest boundary of the property is located within a steep ivy-covered ravine along the foot path which includes the west edge of the property; a safety fence provides partial protection. A private residence is at the bottom of this ravine. Parts of the gravel foot path are lined with extensive mature Himalayan blackberry vines. The property is fairly open especially in the center and accessible from 45th Avenue NE or 47th Avenue NE through the park. Territorial views of the area could be observed from several points on the property. There is little discernable delineation between the reservoir and park property although a concrete pad, a remnant of the decommissioned missile site, marks the change of properties and ownerships. The grounds were free of trash and appear well maintained. Several benches were noted on park property and one memorial bench is located on Seattle Public Utilities property. There was evidence of recent lawn restoration and reseeded. The grassy area is mowed by Lake Forest Parks Department presumably when they mow the adjacent park grounds. Parcel A contains a variety of tree species, most of which grow along the foot path. Some of these are large, such as a big leaf maple growing near what will be the southern border of Parcel A. The dominant vegetation is young Douglas firs (*Pseudotsuga menziesii*) with several large big leaf maples (*Acer macrophyllum*), vine maples (*Acer circinatum*), Himalayan blackberry (*Rubus armeniacus*), Red Alder (*Alnus rubra*), a variety of ornamental non-native plants and an expanse of mowed lawn. Invasive English ivy (*Hedera helix*), prominently represented along the western side of the foot path and ravine, is absent from the property itself. There is a cell tower on the western edge of the existing reservoir property behind the security fence contained within its own fence. Currently, access to the cell tower is provided across reservoir property from inside the security fence. This access will change with the sale of Parcel A to Lake Forest Park Water District.

GUIDELINE A: CONSISTENCY

The analysis should consider the purpose for which the property was originally acquired, funding sources used to acquire the property, terms and conditions of original acquisition, the title or deed conveying the property, or any other contract or instrument by which the City is bound or to which the property is subject, and City, state or federal ordinances, statutes and regulations.

Ordinance 83061 approved May 24, 1954 allowed for condemnation of certain property in Block 1, Lake Forest Park Estates Addition, for a reservoir site and that the cost for improvement shall be paid from the Water Fund. Ordinance 84234 approved July 5, 1955 accepted awards as set forth in the Judgment on the Verdicts entered on June 22, 1955 in the matter of the petition of the City of Seattle to acquire in fee simple certain property and property rights in Block 1 of Lake Forest Park Estates Addition for a reservoir site, as contemplated by Ordinance No. 83061, King County Superior Court Cause No. 474522. Payment of \$55,745.00 was appropriated from the Water Fund. There were multiple grantors. The purchase was finalized in 1955. Adjacent Horizon View Park was originally a Nike missile site from 1957 until decommissioned in 1964.

GUIDELINE B: COMPATIBILITY AND SUITABILITY

The recommendation should reflect an assessment of the potential for use of the property in support of adopted Neighborhood Plans; as or in support of low-income housing and/or affordable housing; in support of economic development; for park or open space; in support of Sound Transit Link Light Rail station area development; as or in support of child care facilities, and in support of other priorities reflected in adopted City policies.

Parcel A is part of an existing reservoir property and as such has limited potential for development. Bordered by a city park on the northeast and reservoir on the south the site currently serves two public needs in providing water and open space.

Context.

There are several city-owned properties in the general area.

| Property | Size | Description | Location relative to PMA 723 |
|--------------------------|---------------|------------------------------|------------------------------|
| Seattle Public Utilities | 244,053 sq ft | Kenmore Reservoir-PMA 724 | 1,495 feet southwest |
| Seattle City Light | 37,747 sq ft | Northeast Substation-PMA 542 | 10,825 feet southwest |
| Shoreline Substation | 257,756 sq ft | Shoreline Substation-PMA 597 | 15,263 feet southwest |

Range of Options.

The options for disposition of this parcel include retention by the city for a public purpose, long-term ground lease, negotiated sale with a motivated purchaser, or sale by public bid. This property has been slated for sale to another public entity for a public benefit. In the event that this is not completed, retention by Seattle Public Utilities would be the next best option. There is also interest by the City of Lake Forest Park for this property to be merged with Horizon View Park. Although 45th Avenue NE is platted to end along the western boundary of Parcel A, it currently does not provide access to the property as it is unpaved, overgrown with vegetation and within a steep ravine that ranges from 20–50 feet below the subject property. Development as a residence is unlikely although supported by RS 9600 zoning.

GUIDELINE C: OTHER FACTORS

The recommendation should consider the highest and best use of the property, compatibility of the proposed use with the physical characteristics of the property and with surrounding uses, timing and term of the proposed use, appropriateness of the consideration to be received, unique attributes that make the property hard to replace, potential for consolidation with adjacent public property to accomplish future goals and objectives, conditions in the real estate market, and known environmental factors that make affect the value of the property.

Highest and Best Use:

Zoned RS 9600 or single family residential and the location within a defined neighborhood, the highest and best use for this site would be for single family housing. However due to access limitations and proximity to a functioning water supply development of this property for single family dwelling is currently impractical.

Compatibility with the physical characteristics:

A test well on the property has yielded positive results for potable water production. The source of water of the well is native to the site. The property is also used informally for passive recreation as an extension of the neighboring Horizon Park. Because the property belongs to a larger parcel a survey and lot-line adjustment will be required to complete the transaction.

The current use is compatible with the physical characteristics of the property which is primarily for water production. The reservoir and adjacent park provide a green space for neighborhood residence some of whom were observed walking along the perimeter trail during a site visit.

A portion of 45th Avenue NE which is currently a “rough” gravel path will be widened to accommodate equipment needed to complete the well. A private gated road will be extended from 45th Avenue NE to allow the Lake Forest Park Water District to access the well.

Compatibility with surrounding uses:

Much of the surrounding property is made up of single family residence or vacant land zoned for single family homes. Houses are predominantly of 1960s, 70s and 80s vintage. Many along 45th Avenue NE appear to have extensive territorial views. The reservoir and connecting park provide the area with green space and recreational space. The site is fully compatible within the surrounding residential area. It’s physical presence and operation is low impact. It has been noted that the existing foot path provides passage to the adjacent park as well as walking access from 45th Avenue NE to 47th Avenue NE.

Timing and Term of Proposed Use:

Lake Forest Park Water District has been given assistance from King County to complete the purchase and have a fully operating well by 2012 due to the compromise of one of their existing wells as a result of the County’s Bright Water Sewer project. Lake Forest Park Water District has anticipated an indefinite term of use of this site.

Appropriateness of the consideration:

SPU will negotiate a sale of Parcel A to the Lake Forest Park Water District based on an appraisal of the fair market value of the property.

Unique Attributes:

Parcel A is located next to a working reservoir. The portion to be sold is odd in shape, resembling two overlapping triangles.

Potential for Consolidation with adjacent public property:

There is one adjacent public property which is Horizon Park, owned by the City of Lake Forest Park. It would be possible to consolidate this site with the park in the event that it is not developed for water production. Lake Forest Water District is committed to designing a water supply that will have minimum impact on neighboring park aesthetics and function as outline in a License Agreement. Regular vehicle access would continue to be prohibited.

Conditions in the real estate market:

Although the Seattle area real estate market has not been hit as hard as the national market, declines were seen in all ranges of the local market over the past year. Generally, Seattle real estate prices are down from the prior year. Thus, although the tight credit market has created uncertainties for developers, the scarcity of appropriately priced development lots and land is likely to keep property values on undeveloped land strong over the long run. Along with this, there has been activity from funded buyers as real estate prices have moderated.

Known environmental factors:

There are no known environmental factors of consequence.

GUIDELINE D: SALE

The recommendation should evaluate the potential for selling the property to non-City public entities and to members of the general public.

This property is well positioned to be sold to Lake Forest Park Water District in that it is a proven source of potable water and there are funds in place to complete the purchase. Test wells have been installed and Lake Forest Park Water District has made a formal commitment to purchase Parcel A..

PUBLIC INVOLVEMENT

Lake Forest Park Water District initially posted a notice in 2008 to inform neighbors within a 300 foot radius of the Water District's intent to conduct a feasibility study of the site as a replacement water source. Currently, there is a proposed use sign on the property along 195th Street (see picture on page 7). There was a public meeting and outreach by the Lake Forest Park Water District in 2008 that was poorly attended.

The City of Seattle Fleets and Facilities sent a neighborhood mailing to 199 residents within a 1,000 foot radius on July 31, 2009 informing them of Seattle Public Utilities intent to sell Parcel A. By the response deadline of August 31, a total of 22 comments were received: 14 by email, 4 by postal mail, 4 by phone. Results from the initial neighborhood mailer generated a total of 22 comments. The majority of these expressed a desire to see the property remain an extension of the neighboring Horizon View Park. Neighbors seem especially concerned that Horizon View Park remain accessible by the public from 45th Avenue NE. Comments received from neighborhood responders break down as follows: Keep informed - 6; maintain public access to the trail - 9; remain as green space - 6; remain as is for which increases neighborhood security - 1.

The majority of comments expressed a desire to see the property remain as open space or as an extension of adjacent Horizon View Park. Almost all respondents stressed the importance of keeping the foot path open for public use. At least one commenter is interested in purchasing the property for residential development.

RECOMMENDATION

Proceed with the sale to Lake Forest Park Water District at appraised value for use as a backup well. The site was previously evaluated as a potential public water supply. A survey by Lake Forest Park Water District has already been completed. Segregation of the portion to sell can be achieved through a lot line adjustment. There is expressed desire by a majority of neighborhood respondents to maintain the property as open green space and the foot path as a corridor from 45th Avenue NE to Horizon View Park. Lake Forest Park Water District has agreed to allow the continued public use of the foot path along the western perimeter and across the north section of the property to Horizon View Park and 47th Avenue NE. Lake Forest Park Water District intends to enhance the foot path for vehicular access during construction and periodic well checks. During construction of the well and control structure, the foot path will be closed periodically. All these uses have been addressed in the proposed development plan issued by Lake Forest Park Water District.

THRESHOLD DETERMINATION

The Disposition Procedures provide that FFD assesses the complexity of the issues on each excess property following the initial round of public involvement. The purpose of this analysis is to structure the extent of additional public input that should be obtained prior to forwarding a recommendation to the City Council. The Property Threshold Determination Form prepared for Lake Forest Park Reservoir is attached at the end of this report. Summation of points awarded as outlined in the Property Review Process Determination Form place this disposition within the “*simple*” property disposal threshold.

NEXT STEPS

Following preparation of this Preliminary Report, Fleets and Facilities Department is required to provide a summary to the Real Estate Oversight Committee, to all City Departments and Public Agencies that expressed an interest in the Excess Property, and to members of the public who responded to the initial Public Notice. The Summary will advise how to obtain a full copy of the report, note that FFD and REOC will consider comments on the Preliminary Report for 30 days after mailing the summary of the Preliminary Report and advise the recipient where and to whom any comments should be addressed. FFD will also post one sign visible to the public at each street frontage abutting the Excess Property which will provide the same information.

PROPERTY REVIEW PROCESS DETERMINATION FORM

| | | | |
|-----------------|--|------------------|---|
| Property Name: | Portion of Lake Forest Park Reservoir Property | | |
| Address: | Lake Forest Park | | |
| PMA ID: | 723 | Subject Parcel # | Portion of 4027700066 |
| Dept./Dept ID: | Seattle Public Utilities | Current Use: | Reservoir |
| Area (Sq. Ft.): | Approximately 76,704 sq ft | Zoning: | RS 9600 |
| Est. Value: | | Assessed Value: | **based on 2010 assessed value per square foot. |
| | | \$241,617.60 ** | |

PROPOSED USES AND RECOMMENDED USE

| | |
|--|----------------------|
| <i>Department/Governmental Agencies:</i> | <i>Proposed Use:</i> |
| Lake Forest Park Water District | Backup Well Site |

| | |
|---|--------------------------|
| <i>Other Parties wishing to acquire: none</i> | <i>Proposed Use: N/A</i> |
|---|--------------------------|

RES'S RECOMMENDED USE:
 Proceed with sell to Lake Forest Park Water District as a permanent well site at fair market value

PROPERTY REVIEW PROCESS DETERMINATION (circle appropriate response)

- | | | |
|---|--|--|
| 1.) Is more than one City dept/Public Agency wishing to acquire? | <input type="checkbox"/> No / <input type="checkbox"/> Yes | 15 |
| 2.) Are there any pending community proposals for Reuse/ Disposal? | <input type="checkbox"/> No / <input type="checkbox"/> Yes | 15 |
| 3.) Have citizens, community groups and/or other interested parties contacted the City regarding any of the proposed options? | No / <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> 15 |
| 4.) Will consideration be other than cash? | <input type="checkbox"/> No / <input type="checkbox"/> Yes | 10 |
| 5.) Is Sale or Trade to a private party being recommended? | <input type="checkbox"/> No / <input type="checkbox"/> Yes | 25 |
| 6.) Will the proposed use require changes in zoning/other regulations? | <input type="checkbox"/> No / <input type="checkbox"/> Yes | 20 |
| 7.) Is the estimated Fair Market Value between \$250,000-\$1,000,000? | <input type="checkbox"/> No / <input type="checkbox"/> Yes | 10 |
| 8.) Is the estimated Fair Market Value over \$1,000,000? | <input type="checkbox"/> No / <input type="checkbox"/> Yes | 45 |

| | |
|---|-----------|
| Total Number of Points Awarded for "Yes" Responses: | 15 |
|---|-----------|

Property Classification for purposes of Disposal review: Simple / Complex (circle one) (a score of 45+ points results in a "Complex" classification)

| | | |
|-------------------------------|-----------------|--------------------------|
| Signature: Richard Gholaghong | Department: FFD | Date: September 21, 2009 |
|-------------------------------|-----------------|--------------------------|

Street views



Street view from NE 195th facing north towards the reservoir.
(picture source: Google Maps 2009)



Street view from NE 195th St and 46th Avenue NE from the reservoir perimeter fence facing north and including a Notice of Proposed Land Use Action from August 2008.

45th Avenue NE, foot path and immediate neighborhood



Facing south on 45th Avenue NE



View from 45th Avenue NE facing west



This is the end of paved 45th Avenue NE. To the right of the truck is a segment of the foot path to Horizon View Park. The foot path encircles the reservoir along the outside of the perimeter fence.



West Side along foot path



There is a steep ravine along the west side of the foot path part of which has a safety fence along the edge.



There is a private residence at the bottom of the ravine which is barely visible through the vegetation.



Invasive English ivy grows profusely along a steep ravine.



Tree canopy along the foot path facing south-east



Perimeter fence facing east



Facing north-Wireless tower



Facing north along the foot path



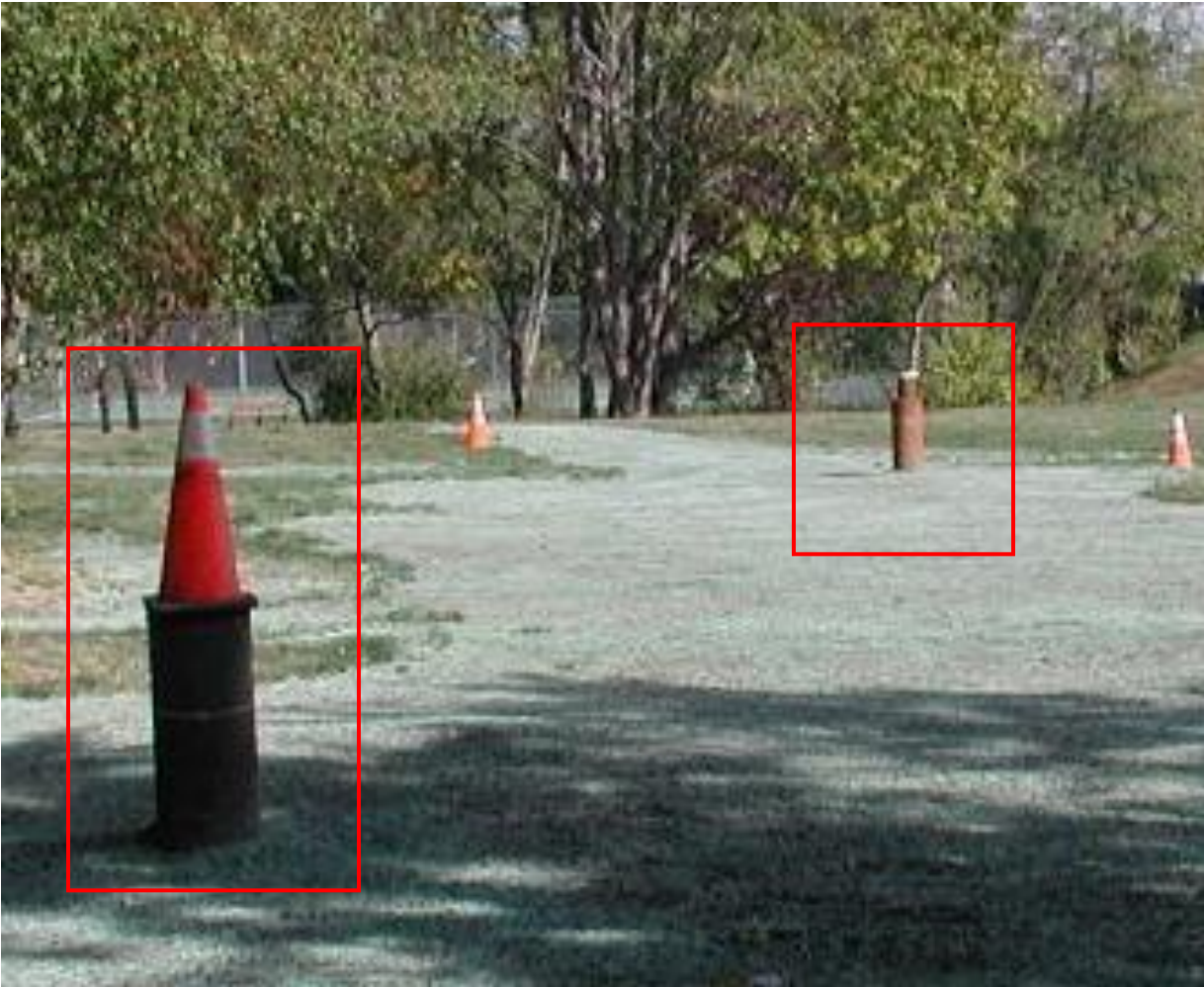
Tennis court-Horizon View Park, facing north east from PMA No. 723



View to the northeast along the foot path. The concrete pad is a remnant of the Nike Missile site and is on Horizon View Park property.



Memorial bench which appears to be on SPU property



Two test wells facing north towards park and tennis court. The areas where the wells have been installed are undergoing reseeding.

Reservoir



A chain link security fence topped with barb wire encircles the covered reservoir. The foot path follows the contours of the fence providing local residents a walking trail and access to the park and streets. The portion of property for sale lays on the outside of this fence and to the north and northwest of the reservoir.



Reservoir control house facing north from NE 195th.



0 50 100 200 Feet

Legend

- PMA No. 723
- Parcel boundary



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Produced by the City of Seattle
FFD Real Estate Services Division.
R Gholaghong September 16, 2009.